

Convention Facilities Department

Team San José, Contractor

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T*o ensure that San José's Convention Center and Cultural Facilities are effectively managed to reduce costs, improve the local economy, and add value to customers, residents, workers, and businesses within the City of San José*

City Service Area
Community and Economic Development

Core Services

Convention Facilities

To provide facilities and services that attract conventions and events that contribute to the City's economy

Convention Facilities Department

Department Budget Summary

	2008-2009 Actual 1	2009-2010 Adopted 2	2010-2011 Forecast 3	2010-2011 Adopted 4	% Change (2 to 4)
Dollars by Core Service					
Convention Facilities	\$ 15,238,172	\$ 20,452,307	\$ 21,567,824	\$ 18,780,424	(8.2%)
Total	\$ 15,238,172	\$ 20,452,307	\$ 21,567,824	\$ 18,780,424	(8.2%)
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 6,493,495	\$ 4,927,830	\$ 5,093,866	\$ 1,812,909	(63.2%)
Overtime	193,205	223,343	223,343	70,159	(68.6%)
Subtotal	\$ 6,686,700	\$ 5,151,173	\$ 5,317,209	\$ 1,883,068	(63.4%)
Non-Personal/Equipment	8,551,472	15,301,134	16,250,615	16,897,356	10.4%
Total	\$ 15,238,172	\$ 20,452,307	\$ 21,567,824	\$ 18,780,424	(8.2%)
Dollars by Fund					
Conv & Cultural Affairs	\$ 15,238,172	\$ 20,452,307	\$ 21,567,824	\$ 18,780,424	(8.2%)
Total	\$ 15,238,172	\$ 20,452,307	\$ 21,567,824	\$ 18,780,424	(8.2%)
Authorized Positions	85.75	56.00	56.00	14.00	(75.0%)

Convention Facilities Department

Budget Reconciliation

(2009-2010 Adopted to 2010-2011 Adopted)

	Positions	All Funds (\$)
Prior Year Budget (2009-2010):	56.00	20,452,307
Base Adjustments		
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes		147,869
• Non-Personal/Equipment reduction to account for changes in utilities, labor, and other costs, driven primarily by anticipated changes to activity levels		(500,519)
• Professional Development Program adjustment		(7,000)
• Restoration of \$1,450,000 to Non-Personal/Equipment appropriation (2008-2009 Annual Report approved by the City Council: October 20, 2009)		1,450,000
• Vacancy rate adjustment		25,167
Technical Adjustments Subtotal:	0.00	1,115,517
2010-2011 Forecast Base Budget:	56.00	21,567,824
Budget Proposals Approved		
1. Right-Sizing Convention Facilities Staffing	(42.00)	(2,787,400)
Total Budget Proposals Approved	(42.00)	(2,787,400)
2010-2011 Adopted Budget Total	14.00	18,780,424

Convention Facilities Department

Budget Changes By Department

Adopted Budget Changes	Positions	All Funds (\$)
1. Right-Sizing Convention Facilities Staffing	(42.00)	(2,787,400)
<i>Community and Economic Development CSA</i> <i>Convention Facilities</i>		
<p>This action eliminates 42.0 positions in the Convention Facilities Department; 40.0 of which are filled and 2.0 of which are vacant. These reductions are required due to projected declines in operating revenues, Transient Occupancy Tax (TOT) receipts, convention center expansion impacts and increases in personnel costs. The positions approved for elimination are as follows:</p> <p>Custodial positions – 6.0 filled Custodians, 1.0 filled Senior Custodian Event Set-Up positions – 23.0 Facility Attendants (22.0 filled, 1.0 vacant), 5.0 filled Senior Facility Attendants, and 2.0 filled Supervisors of Facilities Security positions – 4.0 Security Officers (3.0 filled, 1.0 vacant), 1.0 filled Senior Security Officer</p> <p>The elimination of these positions will support the financial stability of the Convention and Cultural Affairs Fund, as activity levels at the City facilities under the management of Team San José have declined due to the economic downturn. Compounding the necessity for reductions is the fact that revenues are anticipated to decline even further in the next three years due to projected construction activity for the expansion of the Convention Center. These factors have led to a projected decrease in the need for permanent staffing levels at these facilities in 2010-2011, as the event set-up, custodial, and security staffing needs are anticipated to fluctuate with unpredictable activity levels. An increase to the non-personal/equipment allocation (\$646,741) was approved to account for occasional spikes in workload, when variable contract labor may be required during the expansion period. When the expansion period is over, and revenue levels and associated workload increase, the City, in concert with Team San José, will evaluate the staffing needs at the City's convention and cultural facilities. Upon implementation of this action, the Convention and Cultural Affairs Fund is projected to maintain a positive fund balance through the proposed expansion and renovation period. It should be noted that the elimination of these City positions results in a General Fund revenue decrease of \$405,338 due to lost overhead reimbursements. (Ongoing savings: \$3,087,566)</p>		
Performance Results: This action should have minimal impact on the quality of events for customers as the reductions align with anticipated reductions in activity at the convention facilities.		
2010-2011 Adopted Budget Changes Total	(42.00)	(2,787,400)

Convention Facilities Department

Departmental Position Detail

Position	2009-2010 Adopted	2010-2011 Adopted	Change
Air Conditioning Mechanic	2.00	2.00	-
Custodian	6.00	0.00	(6.00)
Electrician	2.00	2.00	-
Facility Attendant	23.00	0.00	(23.00)
Facility Repair Worker	4.00	4.00	-
Security Officer	9.00	5.00	(4.00)
Senior Air Conditioning Mechanic	1.00	1.00	-
Senior Custodian	1.00	0.00	(1.00)
Senior Facility Attendant	5.00	0.00	(5.00)
Senior Security Officer	1.00	0.00	(1.00)
Supervisor of Facilities	2.00	0.00	(2.00)
Total Positions	56.00	14.00	(42.00)

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